

EXHIBIT 1

INTRODUCTION

Respondent Mike Cross was a member of the governing board of the Siskiyou County Lakeview Cemetery District (the “District”) from November 24, 1997 to November 24, 2001. As a governing board member, Respondent was a designated employee of the District, as defined in Section 82019, subdivision (c) of the Political Reform Act (the “Act”),¹ and in the District’s conflict of interest code. As required by the District’s conflict of interest code, each designated employee of the District must file an annual statement of economic interests. On the statement of economic interests, the designated employee must disclose the reportable economic interests that he or she held during the preceding calendar year.

In this matter, Respondent failed to timely file an annual statement of economic interests for the calendar years 1999 and 2000. The Enforcement Division handled this case on an expedited basis under the SEI Expedited Procedures adopted by the Commission in July of 1999. For the purposes of this Stipulation, Respondent’s violations are stated as follows:

COUNT 1: As a designated employee of the Siskiyou County Lakeview Cemetery District, Respondent failed to timely file a 1999 annual statement of economic interests, by March 1, 2000, in violation of Section 87300.

COUNT 2: As a designated employee of the Siskiyou County Lakeview Cemetery District, Respondent failed to timely file a 2000 annual statement of economic interests, by April 2, 2001, in violation of Section 87300.

SUMMARY OF THE LAW

An express purpose of the Act, as set forth in Section 81002, subdivision (c), is to assure that the assets and income of public officials, which may be materially affected by their official actions, be disclosed, so that conflicts of interest may be avoided.

In furtherance of this purpose of disclosure, Section 87300 requires every agency to adopt and promulgate a conflict of interest code. The agency’s conflict of interest code must specifically designate the employees of the agency who are required to file statements of economic interests disclosing their reportable investments, business positions, interests in real property, and other income.

Under Section 82019, subdivision (c), and Section 87302, subdivision (a), the persons

¹ The Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in sections 18109 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

who are to be designated in an agency's conflict of interest code are the officers, employees, members, and consultants of the agency, whose position entails making, or participating in making, governmental decisions that may have a reasonably foreseeable material effect on any economic interest.

Section 87302, subdivision (b) provides that an agency's conflict of interest code must require every designated employee of the agency to file an annual statement of economic interests, for each year that the employee remains in office, at a time specified in the agency's conflict of interest code. On the annual statement of economic interests, a designated employee must disclose his or her reportable economic interests during the preceding calendar year.

Section 87302, subdivision (b) also provides that an agency's conflict of interest code must require every designated employee to file a leaving office statement of economic interests within 30 days after leaving office. On the leaving office statement, a designated employee must disclose his or her reportable economic interests during the period between the closing date of the last annual statement and the date of leaving office.

Under Section 87300, the requirements of an agency's conflict of interest code have the force of law, and any violation of those requirements is deemed a violation of the Act.

SUMMARY OF THE FACTS

Respondent Mike Cross was a member of the governing board of the Siskiyou County Lakeview Cemetery District from November 24, 1997 to November 24, 2001. As a member of the governing board, Respondent was a designated employee of the District, as defined in the District's conflict of interest code.

As a designated employee, Respondent was required by the District's conflict of interest code to file an annual statement of economic interests ("SEI") disclosing the reportable economic interests that he held during the preceding calendar year. The filing due date for the 1999 annual SEI was March 1, 2000. The filing due date for the 2000 annual SEI was April 2, 2001.

COUNT 1

Failure to Timely File 1999 Statement of Economic Interests

Respondent was required to file a 1999 annual SEI by March 1, 2000. Respondent failed to file his 1999 annual SEI by the March 1, 2000 due date, in violation of Section 87300. On March 14, 2000, Siskiyou County Clerk Colleen Baker sent a letter to Respondent, informing him that his 1999 annual SEI was past due. Respondent did not file his 1999 annual SEI in response to this notification.

COUNT 2

Failure to Timely File 2000 Statement of Economic Interests

Respondent was required to file a 2000 annual SEI by April 2, 2001. Respondent failed to file his 2000 annual SEI by the April 2, 2001 due date, in violation of Section 87300. On April 6, 2001, Ms. Baker sent a letter to Respondent, informing him that his 2000 annual SEI was past due. On May 24, 2001, Ms. Baker sent a second letter to Respondent, informing him that his 2000 annual SEI was still past due. Respondent did not file his 2000 annual SEI in response to these notifications.

When Respondent failed to file his 2000 annual SEI, the matter was referred to the Enforcement Division of the Fair Political Practices Commission. On July 17, 2001, Investigator Bonnie Swaim of the Enforcement Division sent a letter to Respondent advising him to file his 1999 and 2000 SEI's, immediately. On July 26, 2001, Respondent filed the delinquent 2000 SEI, but did not file his 1999 SEI. Respondent finally filed his delinquent 1999 SEI, along with a leaving office SEI, upon entering this stipulated settlement.

CONCLUSION

This matter consists of two counts of violating Section 87300, which carries a maximum administrative penalty of Seven Thousand Dollars (\$7,000). Under the SEI Expedited Procedures adopted by the Commission in July 1999, the approved administrative penalty for an individual who files a delinquent SEI within 30 days of being contacted by an Enforcement Division investigator is between Two Hundred and Three Hundred Dollars (\$200-\$300). The approved administrative penalty for an individual who does not file a delinquent SEI until after being contacted by an Enforcement Division attorney is between Four Hundred and Six Hundred Dollars (\$400-\$600).

In this matter, Respondent failed to timely file his annual SEI for two years. However, he promptly filed his 2000 annual SEI upon being contacted by an Enforcement Division investigator, and promptly filed his 1999 annual SEI's upon being contacted by an Enforcement Division attorney. Accordingly, imposition of an administrative penalty of Six Hundred Dollars (\$600) is justified.